



SOLICITATION AMENDMENT

ARIZONA STATE RETIREMENT
SYSTEM
3300 N. CENTRAL AVENUE
13TH FLOOR
PHOENIX, AZ 85012

Solicitation No. **RT08-017** Amendment No. **One (1)** Page **1** of **1**

Solicitation Due Date: **June 12, 2008, 3:00 PM, MST, extended by this amendment as indicated below**

Procurement Specialist:

Robert G. Wittsell, CPPO

OFFEROR IS REQUIRED TO SIGN AND RETURN THIS AMENDMENT BY THE SOLICITATION DUE DATE AND TIME.

The Solicitation referenced above is hereby amended as follows:

The solicitation due date is hereby extended to 3:00 PM, M.S.T., June 17, 2008.

Text, which has been underlined and in red, are additions to the RFP document.

Text, which has a strike through and are in blue, are deletions to the RFP document.

Black text indicates original text of the RFP document.

SCOPE OF WORK

Page 4, Specific Requirements, section 3.2 – The contractor shall provide unitization investment accounting at the money manager and total fund levels for three and up to six ~~comingled~~commingled ASRS plans. – ~~Plan, System, and Health-Benefit Supplement.~~

Page 5, Unitization, section 3.4.2.1 - Provide unitization investment accounting at the money manager and total fund levels for three and up to six ~~commingled~~ ASRS plans ~~—Plan, System, and Health-Benefit Supplement.~~

Page 5, Unitization, section 3.4.2.2. - Provide ~~periodic~~ daily unitized investment allocation reports that include Net Asset Values (NAV's) by pool/manager.

Page 5, Unitization, section 3.4.2.4. - Provide ~~monthly~~ daily performance reporting for performance aggregate of each of the plans for all unitized accounts.

Page 7, Transition and Conversion, section 3.4.6.1.15. – Describe the re-registration process and estimate for cost of re-registration for cash and security transfer from the prior custodian bank. This description should also address the controls for risk of loss and assurance that all assets are received and accounted for properly.

Page 9, Benefit Payments, section 3.6.13 and 3.6.14 - Strike both sections.

~~3.6.13—Handle offset to taxable entitlement.~~

~~3.6.14—Handle offset to pre-tax and after-tax deductions.~~

Page 10, Benefit Payments, section 3.6.21 - Strike entire sentence.

~~3.6.21—Have the ability for participants to view their account information from the vendor's secure Website, including but not limited to viewing payment history.~~

Page 11, Portfolio Management Custody Accounts, sections 3.7.1 and 3.7.2 - Both sections pertain to internal and external. Additional revisions included, as sections now read as:

3.7.1. Custody Account —~~Internally-Managed-Funds~~

3.7.1.1 Provide online access to the following reports:

- 3.7.1.1.1. Purchase and sales pending
- 3.7.1.1.2. Portfolio holdings on trade date basis detailing quantity, historic and book values
- 3.7.1.1.3. Interest and dividends receivable
- 3.7.1.1.4. Interest and dividends earned during designated periods
- 3.7.1.1.5. Purchase and sell transactions
- 3.7.1.1.6. Amortized and accretion of fixed income securities
- 3.7.1.1.7. Cash flow projections
- 3.7.1.1.8. Corporate actions
- 3.7.1.1.9. Performance measures

3.7.1.2. Provide on-line access to investment management support information and analytical reports:

- 3.7.1.2.1. Portfolio characteristic reports
- 3.7.1.2.2. Index comparison reports by sector, industry, and security, updated for daily price and index change
- 3.7.1.2.3. Attribution analytics (daily linked attribution)

3.7.1.3. Provide, back-up and maintain a comprehensive database accounting system for the entire ASRS portfolio, including a securities database and investments in Private Equity and Private Real Estate.

3.7.1.4. Establish an electronic feed reporting mechanism to update transactions executed by ASRS, including deletions and corrections.

3.7.1.5. Affirm all transactions executed by ASRS.

3.7.1.6. Establish controls to prevent unauthorized transactions or unauthorized ASRS personnel or unauthorized Investment Manager from updating files on securities to be affirmed.

3.7.1.7. Notify ASRS of variances to trades reported through DTC.

3.7.1.8. Settle trade according to ASRS and industry standards.

3.7.1.9. Provide various other portfolio management support reports and services as requested by the ASRS.

3.7.1.10. Capability to value non-traditional assets on instruction from the specific investment manager(s), including but not limited to: Real Estate Holdings, Private Equity Holdings, Economically Targeted Investments, Private Placements, Various Unitized Holdings, Derivatives Instruments such as Futures and Swaps.

3.7.2. Custody Accounts —~~Externally-Managed-Funds~~

- ~~3.7.2.1. Provide, back-up and maintain a comprehensive database accounting system for the entire ASRS portfolio, including a securities database, and investments in Private Equity and Private Real Estate.~~
- ~~3.7.2.2. Establish a reporting mechanism to update transactions executed by ASRS, including deletions and corrections.~~
- ~~3.7.2.3. Establish controls to prevent unauthorized transactions or unauthorized Investment Manager or unauthorized ASRS personnel from updating files on securities to be affirmed.~~
- ~~3.7.2.4. Settle trade according to ASRS and industry standards.~~
- ~~3.7.2.5. Capability to value non-custodial assets on instruction from the specific investment manager(s) for the following:~~
 - ~~3.7.2.5.1.1. Arizona-Based Mortgages~~
 - ~~3.7.2.5.1.2. Arizona Real Estate Holdings~~
 - ~~3.7.2.5.1.3. Private Equity Holdings~~
 - ~~3.7.2.5.1.4. Economically Targeted Investments~~
 - ~~3.7.2.5.1.5. Private Placements~~
 - ~~3.7.2.5.1.6. Various Unitized Holdings~~
 - ~~3.7.2.5.1.7. Futures~~

Page 14, Monthly and Quarterly Reports, section 4.2.2.1. - The following reports shall be available on line no later than five (5) working days after the end of each month and ten (10) working days after the end of each quarter; and on hard copy no later than seven (7) working days after the end of the month and fourteen (14) working days after the end of each quarter for both individual investment managers and in the aggregate, with the exception of reports under section 4.2.2.8.

Page 14, Monthly and Quarterly Reports, section 4.2.2.8. - Reports detailing market performance, portfolio performance, and any aggregate deemed necessary by the ASRS. These reports shall include current and historical data. Preliminary performance data must be available within three (3) business days after the end of the month, and final performance data must be available within seven (7) business days after the end of the month. Total Fund Quarterly Attribution must be available within seven (7) business days after final performance data is available.

Page 15, Monthly and Quarterly Reports, section 4.2.2.12 - The following reports shall be available to the ~~Board~~ **ASRS** no later than ten (10) working days after the end of the month.

PRICING SCHEDULE

Page 37, Line item 5 - Removed the line item 5, for Depository Bank

QUESTIONNAIRE

Page 53, SECTION II - Services, E – Accounting and Reporting, Questions 17-19 - , Remove as

Subsequent decision has been made to not consider a backoffice service in this RFP.

17. ~~Describe any special procedures for processing, valuing, and reporting of alternative investments including real estate, private equity, venture capital, domestic and international Real Estate and other non-traditional assets. Can your accounting system accommodate partnership accounting for limited partnerships accounts fund to fund? Private Equity Investments?~~
18. ~~Do you provide any proprietary software for alternative investments? If so, please provide a description.~~
19. ~~Do you provide any back office functions for alternative investments? If so, please provide a description.~~

Page 68, SECTION V – Benefits Payments/Disbursements, F. – Other Services - Processing

21. Do you have the capability to track the mailing of checks/deposit advices by bulk mail tracking?

Question 21 then becomes question 22, and question 22 then becomes question 23.

Page 77, Attachment A – Foreign Exchange Transaction Data - Amend to exclude some countries, and revise the following:

Provide the Bid/Ask currency spread in percentage terms on each of the following countries **vs. the US Dollar** for each of the following two calendar years.

Example — France: $\text{US/France Bid} = 6.6\text{FF/US\$}$ — $\text{US/France Offer} = 6.5\text{FF/US\$}$
 $(6.6 - 6.5) \div 6.5 = 0.1 \div 6.5 = 1.04\%$
 $(6.5 + 6.6/2) = 9.6$


	Country	12/31/07 % percentage	12/31/06 % percentage	Most Recent Trading Date % percentage
	Australia			
	Austria			
	Belgium			
	Canada			
	Denmark			
	Finland			
Example — (see above)	France (show 1 →)			
	Germany			
	Greece			
	Hong Kong			
	Ireland			
	Italy			
	Japan			
	Netherlands			
	New Zealand			
	Norway			

	Portugal			
	Singapore			
	Spain			
	Sweden			
	Switzerland			
	United Kingdom			
	U.S.A.			
	EURO			
	E.C.M.			
	Single Avg	Weighted Avg		
	Dollar Avg	Weighted Avg		

- Assuming: 1. Institutional Transaction Size
2. Estimates are acceptable

The ASRS Collateral Guidelines and Total Funding Holdings spreadsheet are both being provided with this amendment, or are available upon request to CustodyRFP@azasrs.gov.

All other terms and conditions remain the same.

<p>Offeror hereby acknowledges receipt of above amendment.</p> <p>Signature _____ Date _____</p> <p>Printed Name and Title _____</p> <p>Name of Company _____</p>	<p>The above referenced Solicitation Amendment is hereby executed this <u>4th</u> day of <u>June</u>, <u>2008</u>, at Phoenix, Arizona.</p>  <p>ROBERT G. WITTSSELL, CPPO PROCUREMENT MANAGER (602) 240-2065</p>
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